

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-434-C - ORDER NO. 95-1349 ✓
JULY 11, 1995

IN RE:	Application of GTE Telecommunications) ORDER
	Services, Inc. for a Certificate of Public) APPROVING
	Convenience and Necessity for Authority to) CERTIFICATE
	Provide Resold Intrastate Interexchange)
	Telecommunications Services Within the State)
	of South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of GTE Telecommunications Services, Inc. (GTE TSI or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed GTE TSI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of GTE TSI's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. GTE TSI complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by Southern Bell Telephone & Telegraph (Southern Bell). GTE TSI and Southern Bell subsequently reached a

Stipulation, and Southern Bell has now filed a Motion to Withdraw. This Motion is granted.

A public hearing was commenced on June 27, 1995, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. GTE TSI was represented by Faye A. Flowers, Esquire; F. David Butler, General Counsel, represented the Commission Staff.

In support of its Application, GTE TSI presented the testimony of Rolando Espinosa, Vice-President of the Company. Espinosa explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Espinosa described the Company's services, its managerial, technological, and financial resources, and its marketing procedures. Espinosa also testified that GTE TSI would amend its tariff to reflect a maximum rate schedule and a current rate schedule (or price list), and amend its tariff to accomodate Staff's other requests. Espinosa stated that GTE TSI will provide its services in compliance with the Commission's rules and regulations.

After full consideration of the applicable law, the Company's Application, the evidence presented by the Company and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. GTE TSI is incorporated under the laws of the State of Delaware, and has received a Certificate of Authority to Transact Business as a Foreign Corporation in the State of South Carolina.

2. GTE TSI operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. GTE TSI has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to GTE TSI to provide intrastate interLATA service and to originate and terminate toll traffic in the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for GTE TSI for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. GTE TSI shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. GTE TSI shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not

required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1994).

4. GTE TSI is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

6. GTE TSI shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If GTE TSI changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and the termination of toll traffic in the same LATA, GTE TSI shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

8. GTE TSI shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No.

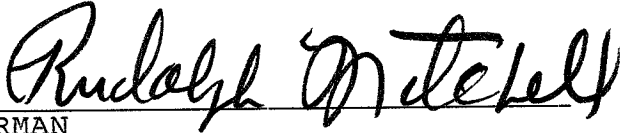
88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

9. GTE TSI shall file its revised tariff and accompanying price list reflecting the findings herein and its agreed upon tariff amendments within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the Commission's Rules and Regulations. Further, the tariff shall be filed with the Commission in a loose-leaf binder.


10. The Stipulation between GTE TSI is hereby approved and the Stipulation, attached hereto as Attachment B, is made part of this Order.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


CHAIRMAN

ATTEST:


Deputy Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 95-434-C

IN RE:)	
)	
APPLICATION OF GTE)	
TELECOMMUNICATIONS SERVICES,)	
INC. (GTE TSI) FOR A)	STIPULATION
CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	
PROVIDE RESOLD INTRASTATE)	
INTEREXCHANGE TELECOMMUNI-)	
CATIONS SERVICES)	
<hr/>)	

The Applicant, GTE Telecommunications Services, Inc. (GTE TSI) and Southern Bell Telephone and Telegraph Company, as Intervenor, by and through their undersigned counsel, hereby stipulate as follows:

- (1) Any grant of authority should clearly be for interLATA services and such intraLATA services as contemplated by PSC Order No. 93-462, dated June 3, 1993.
- (2) GTE Telecommunications Services, Inc. represents that the services for which it seeks authority through this Application are not intended to be used to complete local calls. GTE Telecommunications Services, Inc. agrees that it is not seeking authority in this docket to authorize it to complete local

calls. GTE Telecommunications Services, Inc. will not market or advertise its services as a method of completing local calls.

- (3) All operator services provided will be only for interLATA calls and any "0+" or "0-" intraLATA calls will be handed off to the LEC.
- (4) GTE Telecommunications Services, Inc. agrees that all directory assistance services shall be provided by the applicable LEC in accordance with PSC Order No. 86-633. However, GTE Telecommunications Services, Inc. may apply to the Commission for authority to provide such services, if such authority is granted to any other IXC or reseller.
- (5) Nothing in 1, 2, 3 or 4 above shall prohibit GTE Telecommunications Services, Inc. from offering any services authorized for resale by tariffs of facility based carriers approved by the Commission.
- (6) Nothing in 1, 2, 3, 4, or 5 above shall prohibit GTE Telecommunications Services, Inc. from applying to the Commission to provide any service if the Commission grants authority to provide such service to any other IXC or reseller.

Upon the acceptance of this Stipulation by the Commission, Southern Bell limits its participation to introduction of this Stipulation into evidence during the hearing in Docket No. 95-434-C.

AGREED AND STIPULATED TO:

AGREED AND STIPULATED TO:

By: Faye A. Flowers
Faye A. Flowers, Esquire
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29201

Attorney for Southern Bell
Telephone & Telegraph Company

Columbia, South Carolina

June 19th 1995